

Top 3 local tax questions

By Capt. Jennifer Dickey
Base tax officer

If I am not ready to file by the April 15 deadline, can I just wait until next year to file my federal return?

Denial will only make problems worse. Living overseas can make it more difficult to collect the documents by the April 15 deadline, but it does not excuse you from filing a return; you can obtain an extension on the deadline.

U.S. citizens and resident aliens living outside the United States and whose assigned tour of duty is outside the United States are allowed an automatic two-month extension until June 16 to file a 1996 return. People who choose to take this automatic two-month extension must attach a statement to their federal return stating that they were living outside the United States on the April 15 due date and that their main place of business or assigned tour of duty is outside the United States.

For married people who file jointly, only one spouse needs to be living and working overseas to take advantage of the extension. Interest on the taxes due are charged from the April 15 due date to the date the tax is paid.

This two-month automatic extension only applies to federal returns. People should read the filing instructions for their state return to determine if their state

grants an extension to overseas filers.

People who were deployed to a combat zone or a qualified hazardous duty area such as the Persian Gulf area, and former Yugoslavia, have their deadline for filing a return extended for at least 180 days after the later of:

□ The last day they were in the combat zone, or

□ The last day of any continuous qualified hospitalization for injury from service in the combat zone.

Military members can exclude certain pay from their income if they served in a combat zone or qualified hazardous duty. Military and civilian people deployed overseas away from their permanent duty station in support of Operation Joint Endeavor but outside the former Yugoslavia can't take advantage of the income exclusion, but are still entitled to take advantage of the deadline extension.

If I don't have the money to pay my taxes, can I wait until next year to file my federal return year?

People who owe taxes and don't have the money to pay for it by April 15 still have an automatic two-month extension if they live and work overseas. In the meantime, people may want to obtain financial counseling from the family support center to prepare their pocketbook for the June 16 hit. People who find, however, that they are still cash poor and can't

pay the entire amount of taxes can enter into an installment payment plan with the IRS by filing a Form 9465, Installment Agreement Request. There is, however, both interest and a late penalty. People can limit the interest and late penalty by paying as much of the tax as possible when they file the return.

People who know they can pay the full amount due plus interest and late penalty within six months can avoid entering into an installment plan by filing a return, and then paying as much as they can each time they receive a notice for payment from the IRS.

The IRS will send a series of four notices of payment in five-week intervals. Each time people receive a notice of payment, they should pay off as much as possible. People should not consider this option unless they know they can pay off the entire amount due plus interest and late penalty by the fourth notice of payment. People who think they might have problems paying their taxes on

time should make an appointment at the tax center as soon as possible.

Can I avoid paying state taxes by directing finance to change my state of residence for withholding purposes to a state with no state income tax?

No. Although a person's state of residence is not registered anywhere, they must be prepared to provide evidence of any change of residence, because their former state of residence may still attempt to collect taxes. People's state of residence is determined by a long-term presence in the state and an intent to remain, or an intent to return when temporarily absent.

The most common methods to prove a change in state of residence include obtaining a driver's license and registering to vote in the new state. Changing a form at finance is not sufficient to change your state of residence. Once people legitimately change their state of residence, they should notify finance so tax withholding may be changed to the new state. Also, people should file part-year resident state tax returns for the old state and new state at the end of the year.

Tax center closes

The wing tax center is closed from 11 a.m. - 2:30 p.m. April 17 and 18 for a volunteer luncheon and cleaning. The center, located in Bldg. 905 between the library and Electric Avenue, will remain open until June 13 to provide electronic filing, tax assistance and tax forms and publications.

People with access to the Internet can obtain IRS forms and publications from the IRS site at <http://www.irs.ustreas.gov>.

For more information about tax center services, call TSgt. Debra Gallegos or Diane Butler at Ext. 1805.

Award

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FS; Robert Gerlach, 48th CS; Michael Glasby, 48th SUPS; Eric MacFarlane, 48th MDOS; Shannon Miller, 48th SPS; Stephanie Petrie, 48th MDOS; Stephen Pippin, 492nd FS; Gregory Sartain, 48th EMS; Andrew Vails, 48th MDSS; James Vaughn, 48th SPS; and Mandy Wallace, 48th SPS.

To airman first class

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48th EMS; Alejandro Breceda, 48th CRS; Kimberly Brownlee, 48th SPS; John Closson, 48th SPS; Dennis Crutcher, 48th CRS; John Damron, 48th SPS; Cory Determann, 48th EMS; Jason Dorrington, 48th EMS; Jim Ford, 48th SPS; Yvette Galvan, 48th SPS; James Gardner, 48th SPS; Larry Gill, 48th SPS; William Graham, 48th SPS; Craig Johnson, 493rd FS; Mario Lopez, 48th SPS; Nigil Mann, 48th SPS; Patrick Mason, 48th EMS; Tony Meyers, 493rd FS; Gabriel Patton, 493rd FS; Chad Paulson, 48th EMS; Christopher Proper, 48th SPS; Steve Puente, 48th EMS; Abel Ruiz, 493rd FS; Jason Salapich, 48th CRS; Chad Sanders, 48th EMS; Russell Simola, 48th EMS; Justin

Singleton, 48th EMS; Jeremy Sparks, 48th SPS; Susan Anne Stalcup, 48th DS; Keshia Stephens, 48th Services Squadron; Michael Suglia, 48th EMS; Caleb Sutter, 48th SPS; Michael Sweetman, 48th EMS; Timothy Tholen, 48th EMS; Calvin Thompson, 493rd FS; Larry Tiger, 48th EMS; and Susan Varmuza, 48th EMS.

To airman

Dina Chambers, 48th Mission Support Squadron; Martin Evans, 48th SPS; Andrew Goodman, 48th EMS; Fatimah Harper, 48th CS; Nichole Lamont, 48th SUPS; and Nicole May, 48th CS.